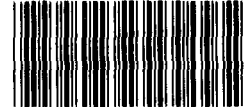


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Observations on GAO's Experience in
Implementing an Independent Personnel System

Statement of Joan M. McCabe,
Deputy Assistant Comptroller General
for Human Resources

Before the
Subcommittee on Civil Service of the
Committee on Post Office and Civil Service
United States House of Representatives



Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our personnel system.

The GAO Personnel Act of 1980 authorized GAO to create its own personnel system, independent of executive agencies' administrative and adjudicatory procedures and regulations. Under the separate system, GAO's personnel management systems and operating procedures have remained firmly anchored by merit principles. We continue to have mechanisms in place to assure that recruitment, selection, and advancement are based on ability and involve fair and open competition.

As a result of this independence, the potential conflict of interest between GAO's oversight of these agencies and the authority they held over our personnel management system has been minimized. We have also gained the flexibility to create personnel management systems and practices to meet our changing needs and support GAO's unique mission.

First I would like to highlight some of the areas where the flexibility to design our own systems and procedures has been most beneficial; and then I will discuss some aspects of our grievance and appeals procedures.

Recruiting and Hiring

With our direct hiring authority, we have created an active campus recruiting program that is generating large numbers of applications. We can move quickly to hire outstanding candidates, without relying on federal registers or other time-consuming administrative processes. GAO's direct hiring authority allows us to make immediate offers to highly qualified candidates. As a result, we are making significant strides to ensure that our work force meets present and future GAO needs.

Compensation

GAO has created a performance-based system called "Pay for Performance," that rewards our staff for its accomplishments and contributions. We believe this new system will permit us to more appropriately reward our top performers for their high levels of effectiveness and productivity.

Position Classification

We have replaced GS grades with broadbands. This system allows us to use our staff based on their skills and abilities, rather than limiting assignment flexibility based on narrowly defined grade levels.

GRIEVANCE SYSTEM

GAO has a three-step grievance system in place to internally resolve and/or adjudicate complaints by employees who feel that they have been treated unfairly.

In the first step, the complaint is dealt with by the lowest level manager or supervisor who has authority to grant the relief requested. If the grievance is not resolved at this point to the grieving employee's satisfaction, the matter may be taken to a higher management level. If the grievance is not resolved at the second level, the employee may present his case to the Special Assistant to the Comptroller General, who then designates a grievance examiner to do fact finding and make a report. The Special Assistant then renders a final agency decision.

Personnel Appeals Board

One of the important safeguards in our system is the Personnel Appeals Board (PAB). Established under the GAO Personnel Act of 1980, the PAB was created to provide GAO employees with an independent appeal authority and the same protection against prohibited and/or discriminatory actions as their counterparts in the executive branch. The PAB process provides GAO's staff with a unified, and relatively streamlined, administrative appeals process, compared to the executive branch's different processes for handling adverse

actions, discrimination complaints, prohibited personnel practices, and unfair labor practices.

The PAB has substantially the same adjudicatory responsibilities as the executive branch's Merit Systems Protection Board (MSPB), Federal Labor Relations Authority (FLRA), and Equal Employment Opportunity Commission (EEOC).

GAO's PAB consists of five members, with 5-year terms, a general counsel, and a support staff. The Comptroller General appoints PAB members, after consulting with GAO employee groups and the Congress.

The PAB hears appeals from GAO employees on:

- 1) adverse actions, such as suspensions or reductions in grade,
- 2) prohibited personnel practices,
- 3) labor relations issues,
- 4) prohibited discrimination, and
- 5) other personnel issues, at the Comptroller General's request.

The PAB conducts evidentiary hearings and makes final agency decisions. PAB decisions are appealable to the court of appeals for the federal circuit.

We feel that the GAO PAB process, combined with GAO's internal complaint processes, provides our employees with substantial and accessible protection against prohibited and/or discriminatory acts.

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As I have suggested, we are very pleased overall with the expanded capabilities the GAO Personnel Act of 1980 has provided. However, there are costs associated with all benefits, and it is important to point out that there can be some drawbacks to having independent personnel legislation. For example, we can no longer rely on the personnel policy and other support previously provided by the Office of Personnel Management and other executive branch organizations. The task of developing our own policies and programs has been a substantial, challenging, and resource-intensive process, with a steep "learning curve." In addition, creating and maintaining the Personnel Appeals Board has been an additional expensive for GAO--we pay the salaries and support costs for the board members and their staff.

In summary, I believe that the GAO Personnel Act is allowing us to create innovative and effective programs that would not have been possible under OPM's system of procedures and

regulations. Our ability to design and implement personnel management systems and special programs tailored to our needs allows us to better attract, develop, motivate, and retain the staff we will need to continue to successfully meet our unique congressional mandate.

Mr. Chairman, this concludes my statement and I will be happy to respond to any questions you may have.